

## Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 SEC-03 EB-11 TRSE-00 COME-00 DRC-01

CIAE-00 INR-11 NSAE-00 RSC-01 FRB-03 CIEP-03 EURE-00

OMB-01 PA-04 PRS-01 USIA-15 /080 W

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P 121626Z SEP 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 6863

UNCLAS ROME 12567

E.O. 11652: N/A

TAGS: ECON, IT

SUBJECT: SEC INVESTIGATION - FRANKLIN NATIONAL BANK

REF: STATE 195126

1. EMBASSY HAS NOW OBTAINED COPY OF ANNUAL FINANCIAL  
REPORT OF SOCIETA' GENERALE IMMOBILIARE (SGI) FOR 1973  
WHICH WAS PRESENTED AT ANNUAL COMPANY MEETING MAY 6, 1974.  
ACCORDING TO THIS REPORT, SGI HOLDS 50 PERCENT OR MORE INTEREST  
IN THE FOLLOWING FIRMS, (PERCENT OF SGI OWNERSHIP GIVEN  
AFTER NAME):

ITALY

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1. URBANISTICA SOCIALE TORINESE, S.P.A.  
TURIN, ITALY - 61 PERCENT
2. R.V.M. RICOSTRUZIONE VIA MARITTIMA, S.P.A.  
NAPLES, ITALY - 50 PERCENT
3. COMPENSORIO TOR CARBONE, S.P.A.  
ROME, ITALY - 90 PERCENT
4. SOCIETA' EDILIZIA VIA DELLE VALLI, S.P.A.  
ROME, ITALY - 73 PERCENT
5. RESTAURI CENTRO STORICO, S.P.A.  
ROME, ITALY - 100 PERCENT

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6. IMMOBILIARE SAN GIACOMO S.P.A.

GENOA, ITALY - 50 PERCENT  
7. COLLI DI MONTEROSI S.P.A.  
ROME, ITALY - 51 PERCENT  
8. IMMOBILIARE AOSTA IV S.P.A.  
MILAN, ITALY - 50 PERCENT  
9. SOCIETA' AZIONARIA AGRICOLA IMMOBILIARE  
PIANA DELLA BUFALOTTA - S.A.A.I.P. S.P.A.  
ROME, ITALY - 50 PERCENT  
10. SOGENE - SOCIETA' GENERALE PER LAVORI E  
PUBBLICHE UTILITA', S.P.A.  
ROME, ITALY - 100 PERCENT  
  
11. SIAM 1922 - SOCIETA' ITALIANA ARREDAMENTI  
METALLICI S.P.A.  
TURIN, ITALY - 99 PERCENT  
12. GESSI SAN SALVO S.P.A.  
SAN SALVO, ITALY - 100 PERCENT  
13. GESTIONI MOBILIARI EDIOCENTRO - SVILUPPO, S.P.A.  
MILAN, ITALY - 98 PERCENT  
14. SVILUPPO FICUCIARIA S.P.A.  
MILAN, ITALY - 100 PERCENT  
15. FIDUCIARIA LOMBARDA S.P.A.  
MILAN, ITALY - 100 PERCENT  
16. SOCIETA' AUTOMOBILISTICA DOLOMITI S.P.A.  
BOLZANO, ITALY - 100 PERCENT  
17. COMPENSORIO P.Z. 39 S.P.A. (IN LIQUIDATION)  
ROME, ITALY - 64 PERCENT  
18. EMONA - ISTITUTO AGRICOLO IMMOBILIARE DI  
LUBIANA, S.P.A. (IN LIQUIDATION)  
ROME, ITALY - 66 PERCENT  
19. BELLROCK ITALIANA S.P.A. (IN LIQUIDATION)  
ROME, ITALY - 100 PERCENT  
20. INTERMOTELD S.P.A.  
ROME, ITALY - 100 PERCENT  
21. DOMUS OMNIUM MILANO - D.O.M. S.P.A.  
MILAN, ITALY - 90 PERCENT  
22. SOCIETA' TURISMO E ALBERGHI ROMA S.P.A.  
MILAN, ITALY - 100 PERCENT  
23. SVILUPPO TECNICA S.P.A.  
MILAN, ITALY - 50 PERCENT  
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FOREIGN

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24. S.G.I. INTERNATIONAL COMPANY, MONROVIA, LIBERIA -  
91 PERCENT OF COMMON STOCK AND 94 PERCENT OF PREFERRED STOCK.  
25. SVILUPPO INTERNATIONAL S.A.  
LUXEMBURG - 99 PERCENT  
26. EDILCENTRO INTERNATIONAL LTD.

NASSAU, BAHAMSS - 99 PERCENT

27. EDILTECNO DE MEXICO S.A.

MEXICO CITY, MEXICO - 99 PERCENT

2. OF THE FOREIGN FIRMS IN WHICH S.G.I. HAS A MINORITY INTEREST, IMMOBILIARE - FRANCE S.A., PARIS, 22 PERCENT, APPEARS THE ONLY ONE OF SIGNIFICANCE.

3. ANNUAL REPORT DOES NOT GIVE LISTING OF FIRMS IN TURN CONTROLLED BY S.G.I.'S FOREIGN SUBSIDIARIES SUCH AS S.G.I. INTERNATIONAL. HOWEVER A NARRATIVE OF REPORT DISCUSSES ACTIVITIES VARIOUS FOREIGN HOLDINGS OF GROUP IN SOME INSTANCES SPELLING OUT SPECIFIC RELATIONSHIP TO S.G.I. AND SOMETIMES NOT. THESE INCLUDE:

A. INTERNATIONAL CONSTRUCTEURS, S.A.  
PARIS, FRANCE - DESCRIBED AS 50 PERCENT HELD BY "GROUP"

B. SOCIETE' CIVILE IMMOBILIERE LE MIRABEAU  
MONTECARLO, MONACO - 99 PERCENT OWNED BY S.G.I. INTERNATIONAL

C. WATERGATE IMPROVEMENT ASSOCIATES,  
WASHINGTON, D.C. - REPORT DOES NOT GIVE DETAILS OF RELATIONSHIP BUT VARIOUS PRESS ARTICLES HAVE REPORTED S.G.I. INTERNATIONAL HOLDS 75 PERCENT OF FIRM.

D. WEST ALEXANDRIA PROPERTIES, INC.  
ALEXANDRIA, VA. - DESCRIBED AS OWNED BY IMMOBILIARE U.S.A. IT IS ASSUMED LATTER FIRM WHOLLY OWNED BY S.G.I. INTER.  
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BUT THIS IS NOT STATED IN REPORT.

E. OYSTER BAY ESTATES INC.  
OYSTER BAY, N.Y. - DESCRIBED AS OWNED BY IMMOBILIARE U.S.A.

F. IMMOBILIARE CALIFORNIA INC.  
LOS ANGELES, CALIF. - REPORT GIVES NO SPECIFICS OF RELATIONSHIP TO GROUP. PRESS ARTICLES HAVE DESCRIBED IT AS OWNED BY S.G.I. INTER.

G. PLACE VICTORIA ST. JACQUES CO. INC.  
MONTREAL, CANADA - DESCRIBED AS OWNED 48 PERCENT BY "OUR SUBSIDIARY" IMMOBILIARE CANADA LTD.

H. REDBROKE ESTATES LTD.

PORT ROYAL, CANADA - DESCRIBED AS ALMOST  
ENTIRELY OWNED BY S.G.I. INTER.

I. LOMAS VERDES S.A. DE C.V.

MEXICO CITY, MEXICO - 44 PERCENT S.G.I. INTER.

J. IMMOBILIARIA CORINTO S.A.

MEXICO CITY, MEXICO - 33 PERCENT S.G.I. INTER.

4. ALTHOUGH NOT MENTIONED IN THE ANNUAL REPORT, ITALIAN  
BUSINESS MAGAZINE "SUCCESSO" IN ARTICLE ON SINDONA IN  
MARCH 1974 LISTED TWO ADDITIONAL FIRMS REPORTEDLY 100 PERCENT  
OWNED BY SVILUPPO INTERNATIONAL, S.A., LUXEMBURG. THESE ARE  
CREDIT AND DEVELOPMENT CORP., PANAMA; AND EDILC - SVIL  
INTERNATIONAL, CAYMANS.

5. FOREGOING REPRESENTS LIST OF S.G.I. SUBSIDIARIES FROM 1973  
COMPANY REPORT AND REPORTED SUBSIDIARIES FROM RECENT ARTICLES  
IN PRESS. ALTHOUGH LIST OF DIRECT SUBSIDIARIES  
IS BELIEVED COMPLETE, THERE MAY BE ADDITIONAL HOLDINGS OF S.G.I.  
FOREIGN SUBS. OF WHICH WE ARE NOT AWARE.

6. PANORAMA ARTICLE ON SINDONA AND EMBASSY TRANSLATION  
POUCHED VIA AIRGRAM SEPTEMBER 12. DEPARTMENT WILL NOTE THAT  
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ARTICLE STATES THAT SINDONA HAS TURNED OVER OPERATING CONTROL  
OF 229 MILLION SHARES IN SOCIETA' GENERALE IMMOBILIARE TO BANCO  
DI ROMA TWO MONTHS AGO AS SECURITY FOR A LOAN OF  
100 MILLION DOLLARS. THIS IS OUT OF A TOTAL OF 634  
MILLION SHARES OUTSTANDING IN S.G.I. ADDITIONAL SECURITY  
REPORTED TO INCLUDE 51 PERCENT OF THE SHARES OF A SINDONA BANK -  
BANCA PRIVATA ITALIANA.

7. THIS TRANSACTION HAS BEEN SUBJECT OF VARIOUS PRESS REPORTS  
RECENTLY SOME OF WHICH HAVE CHARGED THAT BANCO  
DI ROMA (OWNED BY GOVERNMENT HOLDING COMPANY IRI)  
HAD SUFFERED MAJOR LOSSES ON TRANSACTION. FINANCIAL DAIRY  
"24" ORE" OF SEPTEMBER 12 REPORTS CLARIFYING  
STATEMENT BY BANK OF ITALY WHICH CONFIRMS THAT BANCO DI ROMA  
MADE 100 MILLION DOLLAR LOAN TO SINDONA GROUP IN RETURN  
FOR CONTROL OF 229 MILLION SHARES OF S.G.I. AND 51 PERCENT OF  
CAPITAL OF BANCA PRIVATA ITALIANA.  
BANCO DI ROMA UPON OBTAINING CONTROL OF BANCA PRIVATA EXTENDED  
63.5 BILLION LIRE LINE OF CREDIT TO BANCA PRIVATA ONLY HALF  
OF WHICH HAS BEEN ACTUALLY DRAWN. VOLPE

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, REPORTS, BANKS  
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**Copy:** SINGLE  
**Draft Date:** 12 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Subject:** SEC INVESTIGATION - FRANKLIN NATIONAL BANK  
**TAGS:** ECON, IT, FRANKLIN NATIONAL BANK  
**To:** STATE  
**Type:** TE  
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